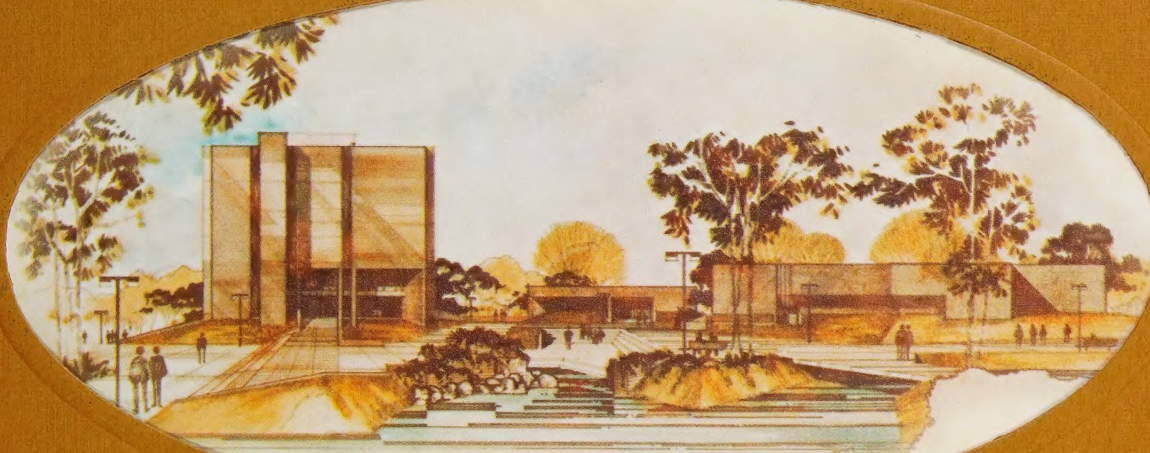


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OFFICIAL STATEMENT



EL CAJON-SAN DIEGO COUNTY CIVIC CENTER AUTHORITY

San Diego County, California

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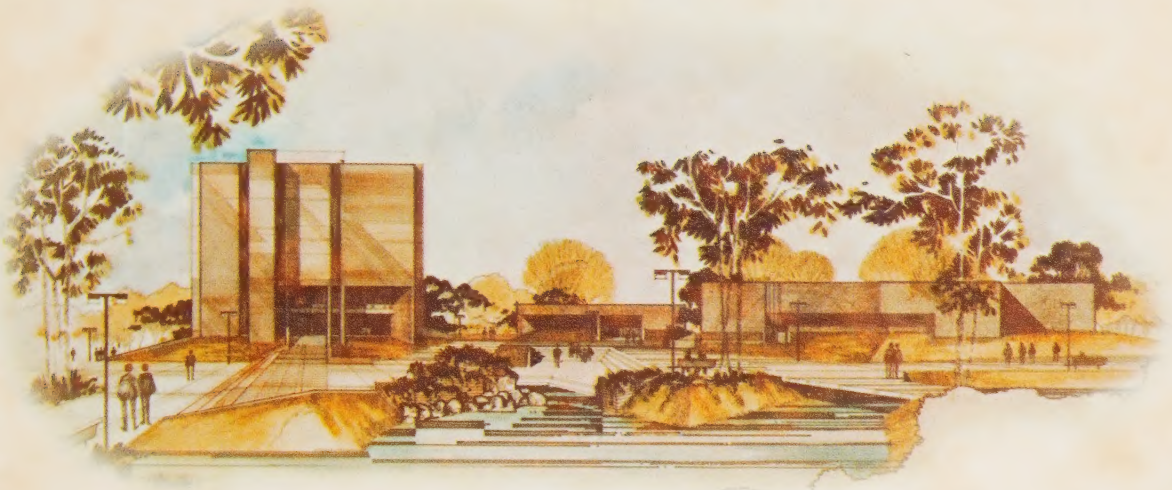
UNIVERSITY OF CALIFORNIA

\$6,400,000

1975 City Hall Revenue Bonds

Bids to be received by the Governing Board of the Authority
at or before 2:00 P.M., Tuesday, February 11, 1975,
at the office of the City Clerk, City Hall, El Cajon, California 92022





EL CAJON SAN DIEGO COUNTY [Stone + Youngberg, municipal
San Diego County financing consultants]

DR. SYDNEY P. WILKES, President

LUCILLE V. MOORE, Vice-President

RICHARD K. BROWN

Public buildings City Hall
" " El Cajon
Investments Public sewer.

THE DATE OF THIS OFFICIAL STATEMENT IS JANUARY 14, 1975.

EL CAJON-SAN DIEGO COUNTY CIVIC CENTER AUTHORITY
San Diego County, California

DR. SYDNEY P. WIENER, *President*

LUCILLE V. MOORE, *Vice-President*

RICHARD R. BROWN

ROBERT L. CORNETT

DAVID B. NEUMANN

THE DATE OF THIS OFFICIAL STATEMENT IS JANUARY 14, 1975.



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CITY OF EL CAJON
City Council

JAMES C. SNAPP, *Mayor*

HOWARD H. PIERCE, *Mayor Pro-Tem*

ROBERT L. CORNETT

LUCILLE V. MOORE

JOHN W. REBER

City Administration

ROBERT M. APPLGATE, *City Manager*

LYNN R. MCDUGAL, *City Attorney*

DAVID C. HOBSON, *City Treasurer and
Director of Finance*

ROBERT T. ACKER, *Assistant City Manager*

JOHN F. PIZZATO, *City Engineer and
Director of Public Works*

MILDRED R. KENNEL, *City Clerk*

SAN DIEGO COUNTY
Board of Supervisors

RICHARD R. BROWN, *Chairman*

JIM BATES

LOU CONDE

LEE R. TAYLOR

JACK WALSH

PROFESSIONAL SERVICES

ARTHUR D. DECKER, A.I.A., *El Cajon
Architect*

O'MELVENY & MYERS, *Los Angeles
Bond Counsel*

STONE & YOUNGBERG MUNICIPAL FINANCING CONSULTANTS, INC., *San Francisco and Los Angeles
Financing Consultants*

UNITED CALIFORNIA BANK, *Los Angeles
Trustee*

MANUFACTURERS HANOVER TRUST CO., *New York*
NORTHERN TRUST CO., *Chicago*
Paying Agents

The information contained in this Official Statement was prepared under the direction of the El Cajon-San Diego County Civic Center Authority by Stone & Youngberg Municipal Financing Consultants, Inc., financing consultants to the Authority.

All of the following summaries of the statutes, documents and resolutions are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The information contained in this Official Statement has been compiled from sources believed to be reliable. This Official Statement contains estimates and matters of opinion, which are not intended as representations of fact. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

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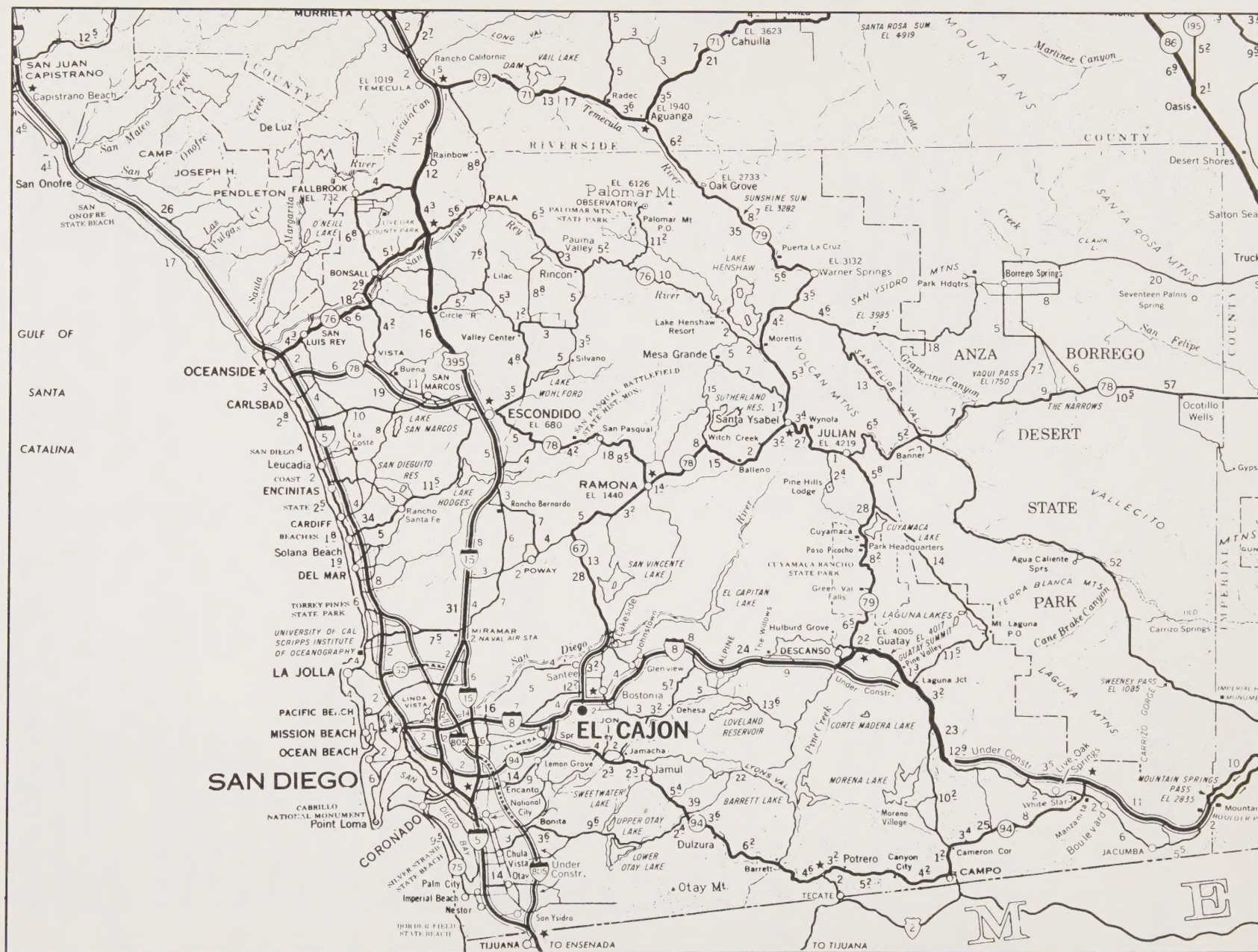
UNIVERSITY OF CALIFORNIA

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Vicinity map showing El Cajon and the San Diego County area.

INTRODUCTION

The El Cajon-San Diego County Civic Center Authority was formed by a Joint Exercise of Powers Agreement between the City of El Cajon and San Diego County. The purpose of the Authority is to provide a civic center, comprising both city and county buildings and related facilities, in the City of El Cajon.

The Authority exists as a separate public agency under the laws of California, with powers established by the Joint Powers Agreement.

The Joint Powers Agreement will remain in force for fifty years or until payment, or provision for payment, of the bonds of the Authority has been made. It provides, in general, that the City or County will lease to the Authority, by means of a ground lease or leases, the sites for the City and County facilities; the Authority will issue revenue bonds to finance the project; the City and County will construct their respective facilities as agents for the Authority; and the City and County will sublease these sites and facilities from the Authority, paying annual base rentals sufficient to meet debt service on the Authority bonds plus an amount sufficient for the Authority to meet its annual expenses in connection with the facilities.

The bonds currently being offered for sale will be used to finance construction of the El Cajon city hall complex.

The facilities will be subleased to the City for a term that ends prior to the termination of both the Joint Powers Agreement creating the Authority and the ground lease of the site from the City to the Authority. The sublease provides that, upon completion of the facility, the City will pay an annual rental sufficient to meet all expenses, including bond principal and interest payments, incurred by the Authority in connection with the facilities.

Under the sublease of the facilities from the Authority, the City will covenant to include the total rental in its budget each year and to appropriate the necessary money for rental payment.

As discussed more fully in a subsequent section of this official statement, the Municipal Bond Insurance Association has approved the issuance of a Municipal Bond Guaranty Insurance Policy to be issued at the time of bond delivery and unconditionally and irrevocably guarantee payment of bond interest and principal. In the event such a Policy is issued, the Authority will pay the applicable premium thereunder, the estimated amount of which is included in bond proceeds. The issuance of such a Policy will be at the option of the bidder offering to buy the bonds. Should a bidder specify that the Authority shall purchase insurance from MBIA, the cost of such insurance shall be treated as an interest cost payable in the first year of the life of the Bonds and shall be taken into account in determining the best bid, pursuant to the Notice Inviting Bids.

To further insure prompt payment of the bonds, the following additional safeguards will be provided.

1. A Reserve Fund equal to one-half maximum annual bond service will be created from bond proceeds and an additional reserve equal to at least another one-half maximum annual bond service should be maintained by the timing of rental payments.
2. Various types of insurance will be provided, including earthquake, fire and extended coverage plus business (rent) interruption insurance equal to two years' base rental and additional rental for all such perils, and public liability and property damage protection.
3. Interest on the bonds will be funded from bond proceeds for the anticipated construction period plus an additional six months being a total of twenty-four months. In addition, the construction contract provides that in the event of failure to complete on time (548 calendar days from notice to proceed plus any extensions as provided in the contract) there will be liquidated damages payable by the

contractor in the amount of \$1,800 per day assuming the provision is not voided by judicial action.

4. A policy of title insurance with lender's leasehold endorsement insuring the validity of the lease will be obtained prior to the delivery of the bonds.

El Cajon has experienced rapid population growth in the past twenty years and continued growth is expected. The city has developed into a suburban residential area, due mainly to its location 16 miles east of the City of San Diego. In recent years, commercial and industrial development have become major factors in the city. The city is the center of

trade and commerce for the El Cajon Valley and adjacent areas. Sales tax revenues for 1973/74 totalled \$2,955,301. It is anticipated that this revenue will be the principal source of funds to meet required rental payments to be used to meet revenue bond debt service for the project. The January 1974 population was estimated at 58,400. The city's 1974/75 assessed valuation for revenue purposes is \$161,-152,782. Of the \$1,486,018 secured tax levy in 1973/74, all but \$21,034, or 1.42 percent, was collected. The outstanding general obligation bonded debt of the city at the time of sale of the bonds currently offered will be \$575,000. The total net direct and estimated overlapping debt will be \$14,845,521.

Aerial view of the City of El Cajon and vicinity.



THE AUTHORITY

Joint Powers Agreement

The El Cajon-San Diego County Civic Center Authority was created by a Joint Exercise of Powers Agreement dated December 4, 1973, between the City of El Cajon and San Diego County. The agreement was made under provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6500. A copy of the agreement is included among the legal documents accompanying this official statement.

The Agreement has a stated term of 50 years from December 4, 1973, or until payment or provision for payment of the Authority revenue bonds has been made, at which time it will terminate automatically.

Organization

The Authority exists and acts as a separate public entity and is governed by a five-member commission. Two members are appointed by the city, two members are appointed by the county, and one member is appointed by the Grossmont Community College District. The members of the commission are:

Dr. Sydney P. Wiener, President, retired dentist—appointed by the college district for a four-year term.

Lucille V. Moore, Vice-President; Councilwoman—City of El Cajon—appointed by the city for a two-year term.

Richard R. Brown, Member of San Diego County Board of Supervisors—appointed by the county for a four-year term.

David B. Neumann, bank manager—appointed by the county for a two-year term.

Robert L. Cornett, Councilman—City of El Cajon—appointed by the city for a four-year term.

The City Clerk, County Treasurer and County Auditor-Controller are ex-officio the secretary, treasurer and auditor of the Authority. The County Counsel or City Attorney shall advise the Authority upon request of the commission.

Powers and Purposes

The Authority has the power to acquire sites and to acquire, construct, maintain, operate and lease public buildings and related facilities necessary for the development of a civic center, to make and enter into contracts, to acquire, construct, manage, maintain or operate any buildings, works or improvements, to acquire property by lease or purchase, to hold or dispose of property by lease or sale, to incur debts and obligations which are not debts or obligations of the member public agencies, including the power to issue revenue bonds to finance construction of the facilities.

The Joint Powers Agreement provides for the city and county, respectively, to contract for construction of city and county facilities, respectively, to be financed by the Authority from the proceeds of its revenue bond issues.

Upon termination of the agreement, all property of the Authority will automatically vest in the City of El Cajon except the property for the proposed County facilities which shall vest in San Diego County.

City Hall Facility Ground Lease

The City of El Cajon will lease the city hall site to the Authority for a term extending from February 1, 1975 to February 8, 2009.

City Hall Facility Sublease

Under the City Hall Facility Sublease dated as of February 1, 1975, the Authority will lease the site together with the city hall back to the City of El Cajon. The term of the sublease will extend from the date of execution thereof to the earlier of February 1, 2009, or payment, or provision for payment, of the bonds.

The sublease provides that the City of El Cajon will pay the Authority annually in advance a base rental sufficient to meet the annual revenue bond principal and interest requirements and other obligations of the Authority, if any, upon substantial completion of the project, or on December 15, 1976, whichever is later. Assuming timely completion, the rental payment on December 15, 1976 will equal one-half the annual base rental. The remaining base rental payments, in an amount sufficient to meet bond service, will be due July 1 and payable without penalty on July 15 of each year, until payment (or provision for payment) of all bond principal and interest has been made.

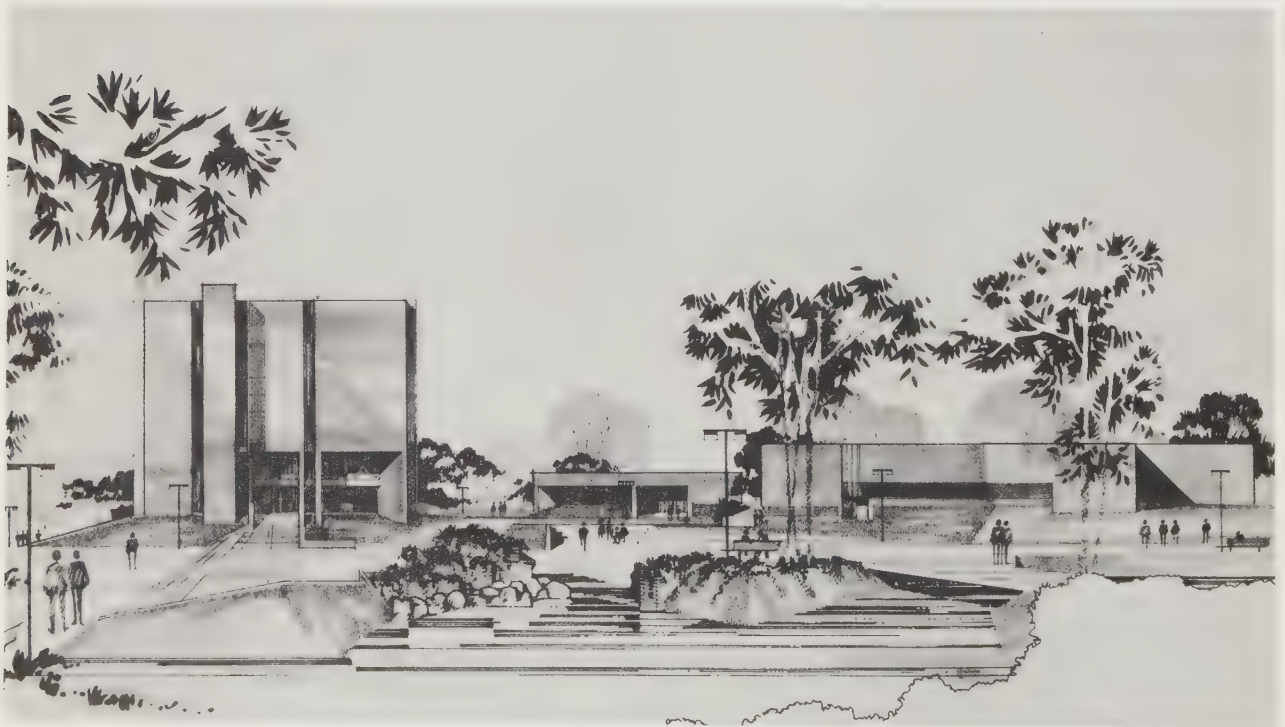
The annual base rental for the facility will be established after the interest rates on the bonds have been determined, in an amount sufficient to meet actual bond service. Although construction is expected to be completed by November 1, 1976, the

rental obligation will not commence before December 15, 1976, and the first full rental payment will be payable July 1, 1977.

The City of El Cajon is required to provide for the operation and maintenance of the facility at no expense to the Authority and to pay to the Authority as additional rent the amount necessary to cover taxes and assessments, if any, to pay insurance premiums, to meet the operating expenses of the Authority and to maintain a balance of \$2,500 in the Working Capital Fund, to the extent interest earnings and other income of the Authority are insufficient for these purposes.

The sublease provides for the maintenance of insurance against loss or damage under an "extended coverage" policy, public liability and property damage policy and such other insurance as may be required by the City of El Cajon or by the Resolution of Issuance of the Authority. In the event of destruction of all or a part of the facility, the Authority may use the insurance proceeds to rebuild the facility or to terminate the lease and redeem the bonds. The proceeds of any award in the event of condemnation will be used to redeem the bonds. Any surplus remaining after redemption of the bonds or reconstruction of the facility will be transferred to the City of El Cajon.

Architect's rendering of El Cajon City Hall complex to be financed with the bonds currently being offered for sale.



THE BONDS

Authority for Issuance

The \$6,400,000 of El Cajon-San Diego County Civic Center Authority 1975 City Hall Revenue Bonds, currently being offered for sale, are to be issued pursuant to a Resolution of the Authority approved January 14, 1975.

The Bonds will be issued under provisions of the Government Code (Article 2, Chapter 5, Division 7, Title 1, Section 6540, et seq.) of the State of California.

Sale of the Bonds

Bids will be received by the Governing Board of the El Cajon-San Diego County Civic Center Authority at 2:00 P.M., Tuesday, February 11, 1975, at the office of the City Clerk, City Hall, El Cajon, California 92022. Details as to the terms of the sale are included in the Official Notice Inviting Bids approved January 14, 1975, a copy of which accompanies this Official Statement.

Description of the Bonds

The \$6,400,000 principal amount of El Cajon-San Diego County Civic Center Authority 1975 City Hall Revenue Bonds, will be dated February 1, 1975, and will be issued in the denomination of \$5,000 each. The bonds will be numbered 1 through 1,280 and will be payable annually on August 1 of each year as follows:

Year	Principal Amount	Year	Principal Amount
1978	\$ 70,000	1992	\$200,000
1979	75,000	1993	215,000
1980	80,000	1994	230,000
1981	90,000	1995	250,000
1982	95,000	1996	270,000
1983	105,000	1997	290,000
1984	115,000	1998	310,000
1985	120,000	1999	335,000
1986	130,000	2000	360,000
1987	140,000	2001	385,000
1988	155,000	2002	415,000
1989	165,000	2003	445,000
1990	175,000	2004	480,000
1991	185,000	2005	515,000

Interest will be payable semiannually on August 1 and February 1 of each year, beginning August 1, 1975. Both principal and interest on the bonds are payable at the main office of United California Bank, Los Angeles, Trustee for the Authority, or at paying agents for the Authority in The City of New York and the City of Chicago.

Redemption Provisions

Except as described in the following paragraph, bonds maturing on or before August 1, 1988, a total principal amount of \$1,175,000, are not subject to call or redemption prior to their fixed maturity dates. Bonds maturing on or after August 1, 1989, a total principal amount of \$5,225,000, are subject to call and redemption, at the option of the Authority, as a whole or in part in inverse order of maturity and by lot within a single maturity on August 1, 1988, or on any interest payment date thereafter, upon payment of a redemption price equal to the principal amount plus a premium of one-fourth of one percent for each year or fraction of a year from the redemption date to the maturity date of the bonds.

The maximum premium payable upon call of the bonds for redemption on or after August 1, 1988, would be four and one-quarter percent.

In the event of loss of or substantial damage to or condemnation of the Project which renders it unusable, all or any part of the bonds may be redeemed at any time by payment of the principal amount and accrued interest to the date of redemption plus a premium as set forth above, applied to all outstanding bonds whether otherwise callable or not, but not to exceed four and one-quarter percent.

Notice of Redemption

Notice of redemption is to be published in a financial newspaper or financial journal, published in the City of New York, New York. The first publication will be at least 30 days but not more than 60 days prior to the redemption date. The Trustee is required to give written notice to the owners of any registered bonds.

Registration

The bonds will be issued as coupon bonds and will be exchangeable for fully registered bonds, which will be subject to discharge from registration at the option of the holder.

Legal Opinion

All proceedings in connection with the issuance of these bonds are subject to the approval of O'Melveny & Myers, Los Angeles, California, bond counsel for the El Cajon-San Diego County Civic Center Authority. The unqualified opinion of O'Melveny & Myers attesting to the validity of the bonds will be supplied free of charge to the original purchasers of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

Tax Exempt Status

In the opinion of bond counsel, the interest on the bonds is exempt from income taxes of the United States of America under present federal income tax laws and such interest is also exempt from personal income taxes of the State of California under present state income tax laws.

Eligibility as Security for Public Funds

In the opinion of bond counsel the bonds are eligible to secure deposits of public funds in banks in the State of California.

Eligibility for National Banks

A request has been made to the Controller of the Currency for a ruling that the bonds of the Authority are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. An answer is expected prior to the date of sale of the bonds.

Purpose of Issue

The proceeds from the sale of the 1975 City Hall Revenue Bonds will be used to finance construction of the El Cajon City Hall Facility, as described in the Official Statement under the heading, "The Project."

Security

Bond principal and interest coming due each year are payable from annual base rental payments by the City of El Cajon for use of the Facility. Under the terms of the City Hall Sublease dated February 1, 1975, the City agrees to pay the Authority an annual fixed base rental, which will be sufficient to pay bond principal and interest, plus additional rental in an amount sufficient to meet other neces-

sary expenses of the Authority. The City has agreed to make appropriations in its annual budget for the amount of the base rental and additional rental. The City anticipates meeting its rental payments from general fund revenues, principally sales tax revenues (1973/74 sales tax revenues were \$2,955,-301). Also, the county has entered into a sublease with the city, whereby the county will lease two floors of the city hall for a five-year period at an annual rental of \$81,672. This will be applied by the city towards the annual base rental requirement. Under recent legislation enacted by the California legislature, the maximum tax which may be levied by a city for general purposes, except for voter-approved taxes and taxes to meet voter-approved debt service, is limited to the rate in effect for either the 1971/72 or the 1972/73 fiscal year, exclusive of taxes to meet voter-approved debt service. The city tax rate per \$100 assessed valuation for general purposes other than debt service was \$1.19 for 1971/72 and \$1.18 for 1972/73. The 1974/75 city tax rate, excluding debt service, is at the \$1.19 maximum.

At present, the City is obligated to pay approximately \$83,500 in base rentals to the Heartland Fire Training Facility Authority upon completion of a fire training facility financed by bonds of the Authority. The facility is currently nearing completion. Of the annual rental, \$15,795 is expected to be met from fees collected from user agencies, resulting in the net rental obligation \$67,805. Also, the City has an annual base rental obligation of \$56,625 to the El Cajon Building Authority for a bond-financed police station facility. The base rent due the Civic Center Authority to meet principal and interest payments on the 1975 City Hall Revenue Bonds is estimated at \$556,000. Therefore, the City's total annual base rental obligation upon completion of the city hall will be approximately \$696,125. In addition to the county rental revenue and fire training facility user charges discussed previously, it is anticipated that continued increases in sales taxes and other general fund revenues will provide adequate revenues for the City to meet its total rent obligations.

MBIA Insurance

The Authority applied for a commitment for municipal bond insurance from The Municipal Bond Insurance Association ("MBIA"), formed for the purpose of guaranteeing new issues of municipal bonds. MBIA guarantees unconditionally and irrevoc-

cably the full and prompt payment of principal and interest to the paying agent of the bonds. The MBIA commitment has been obtained. The bonds will be offered either as insured obligations under the MBIA guaranty, or uninsured obligations, at the option of the bidder offering to buy the bonds.

Should a bidder specify that the City shall purchase insurance from MBIA, the cost of such insurance (a single, lump sum premium), shall be treated as an interest cost payable in the first year of the life of the Bonds and shall be taken into account in determining the best bid, pursuant to the Notice Inviting Bids. Prospective bidders are hereby referred to the "Award; Highest Bidder" section of said Notice Inviting Bids for the method of determination of the best bidder and comparison of interest costs for bids providing for the inclusion or exclusion of such MBIA insurance. A copy of the policy will be attached to or printed on guaranteed bonds. All premiums for the life of the policy will be paid in one lump sum payment at the time of bond delivery.

If an issuer of MBIA Guaranteed Bonds fails to deposit full payment with the paying agent on the date required, MBIA's members will deposit funds with First National City Bank, New York City, as Fiscal Agent for MBIA, sufficient to cover fully the deficit in the paying agent's account. Because of the timing of rental payments, the possibility of an impending default should be recognized in advance of the payment date of the bonds, allowing MBIA time to make the funds available for payment on the due date of the coupons or bonds. If notice of non-payment is received on or after the due date, MBIA will provide for payment on the business day following receipt of the notice. Upon payment by MBIA of coupons or bonds, MBIA becomes the owner thereof. The issuer is not relieved of its obligation

by MBIA's payment. **MBIA has obtained a ruling from the IRS that neither the insurance protection nor payment thereunder will affect the exemption of interest on the bonds from federal income taxes.**

In evaluating MBIA's Insurance Guaranty there are many important considerations; however, a prime feature is the quality of the member companies of MBIA. These companies, Aetna Casualty and Surety Company, St. Paul Fire and Marine Insurance Company, Aetna Insurance Company, and United States Fire Insurance Company, are among the oldest, largest and strongest companies in the nation. The percentage participation of the member companies in MBIA has been established in approximate relationship to the size of the companies and is as follows: Aetna Casualty and Surety—40%, St. Paul Fire and Marine—30%, Aetna Insurance Co.—15%, U.S. Fire—15%. The policy is a several but not joint obligation of the participating insurance companies.

The tabulation at the bottom of the page gives some of the important statistics for the four member companies of MBIA. The statistics are as reported by the insurance departments for the various states in which these companies are located and are stated in millions of dollars. The four MBIA member companies are major components of insurance groups whose total resources aggregate approximately \$24 billion.

Standard & Poor's Corporation rates all new issues insured by the Municipal Bond Insurance Association "AAA", Prime Grade.

With the exception of the first two paragraphs of the foregoing subsection entitled "MBIA Insurance", all information and data have been obtained from material published by or on behalf of MBIA. The Appendix to this official statement presents a sample copy of an MBIA policy of insurance.

(000,000's omitted)	Aetna Casualty	St. Paul Fire	Aetna Insurance	U.S. Fire
Total Assets	\$1,978	\$1,085	\$725	\$454
Policyholders' Surplus	360	228	174	117
Underwriting Income				
1973	0.6	10.2	11.9	3.7
1972	14.0	39.2	19.2	9.9
Investment Income				
1973	71.9	40.0	29.7	17.6
1972	75.8	33.0	27.3	15.4
Net Income After Taxes				
1973	58.6	38.1	34.5	14.4
1972	58.3	49.2	41.3	17.6

The Trustee

United California Bank, Los Angeles, has been appointed Trustee pursuant to the Resolution of Issuance. The Trustee will receive all of the bond proceeds and will disburse bond moneys in conformity with the Resolution. In addition to holding and administering the various funds of the Authority, the Trustee will invest funds held in trust and will be the recipient of all revenues of the Authority. The Trustee will also act as paying agent of the Authority, paying bond interest and principal. The Trustee will act as bond registrar and will authenticate all registered bonds.

Creation of Special Funds

The Resolution of Issuance provides for establishment of special funds, all to be held and administered by the Trustee. These funds, together with their sources and uses, are listed at the bottom of the page.

Disposition of Bond Proceeds

The Resolution of Issuance provides that the proceeds from the sale of the bonds shall be deposited with the Trustee. The Trustee will then place the premium and accrued interest (if any) in the Interest Fund and the balance of the proceeds in the following funds:

1. To the Interest Fund any premium and accrued interest and a sum which, together with the premium and accrued interest, will equal the first twenty-four months' interest on the bonds.

2. To the Reserve Fund an amount equal to one-half the maximum annual debt service.
3. To the Working Capital Fund an amount of \$2,500 which is to be maintained as working capital.
4. To the Construction Fund the balance.

Deposit and Application of Revenues

All revenues of the Authority as defined in the Resolution are pledged to the punctual payment of the bond principal and interest. All revenues will be immediately deposited with the Trustee who shall credit the moneys to the Revenue Fund. All moneys in the Revenue Fund are to be set aside and deposited in special funds in the following order of priority and to be withdrawn from the special funds only for the purposes set forth.

1. **Interest Fund**—On or before January 1, 1977, the Trustee will deposit a sum sufficient, together with the balance then on hand, to pay the six months' interest becoming due on the next August 1, and thereafter on August 15 of each year, beginning August 15, 1977, the Trustee shall deposit in such fund a sum, sufficient, together with the balance then on hand, to pay the 12 months' interest coming due on the Bonds on the next February 1 and August 1.

2. **Retirement Fund**—On or before August 15 of each year while any of the bonds are outstanding, beginning August 15, 1977, the Trustee will deposit an amount equal to the aggregate amount of principal due and payable on the outstanding bonds on the next August 1. Moneys in this fund are to be used solely for the purpose of paying the principal of the bonds.

Fund	Source	Use
Construction Fund (Section 3.04)	Bond Proceeds	Construction, balance to Reserve Fund, remaining balance to other funds as indicated in Resolution.
Revenue Fund (Section 5.01)	City Rental Payments	Transfers to Interest, Retirement and other required funds.
Interest Fund (Section 5.02)	Transfers from Revenue Fund	Bond interest.
Retirement Fund (Section 5.02)	Transfers from Revenue Fund	Bond principal.
Reserve Fund (Sections 3.03 and 5.02)	Bond Proceeds and Revenue Fund	Bond principal and interest.
Working Capital Fund (Section 5.02)	Bond Proceeds, Revenue Fund and Additional Rent	Authority's administrative and miscellaneous expense.
Redemption Fund (Section 4.05)	Any authorized source	For call of bonds ahead of maturity.

3. **Reserve Fund**—Under terms of the Resolution, a bond reserve fund equal to one-half maximum annual bond service will be created from the proceeds of the sale of the bonds and held by the Trustee. The fund can be used solely to pay bond principal and interest in the event no other funds are available and must be replenished if used; provided, however, that it may be applied toward the retirement of the last outstanding bonds of the issue. Money in the fund may be invested in authorized investments or may be deposited in interest-bearing accounts. Surplus interest obtained by investment or deposit of moneys in the Reserve Fund shall be transferred to the Construction Fund while the project is being built and, after completion, such interest earnings are to remain in the Reserve Fund.

An additional reserve equal at all times to more than one-half the annual bond service is created by the timing of the rental payments to become due after completion of the Facilities. Rental revenues will be received approximately 6½ months prior to the time they will be required to meet the February 1 interest payment and 12½ months prior to the time they will be required to meet the August 1 payment of principal and interest. Accordingly the balance in either the Revenue Fund or in the Interest and Retirement Funds together with the balance in the Reserve Fund should at all times exceed maximum annual bond service.

4. **Working Capital Fund**—A sum of \$2,500 will be initially deposited into the fund and at least this amount must be maintained as unencumbered working capital. Moneys in this fund are to be disbursed by the Trustee for payment of such items as taxes or assessments, if any, levied upon the Project, administrative costs of the Authority, Trustee's fees, and insurance premiums. It is anticipated that revenues from investment of the Reserve Fund will provide some portion of moneys for these purposes. The Trustee is required to bill the City on August 1 of each year for additional rental becoming due during the fiscal year.

5. **Surplus**—Any moneys in the Revenue Fund on June 30 of each year, on and after June 30, 1977, provided that the moneys are not required for the above purposes or to meet future debt service requirements, may be used, at the discretion of the Authority, for additions or improvements to the Project, for purchase or redemption of bonds, or as a credit against the City's obligation for Base Rental and additional rent.

Additional Bonds

Section 6.15 of the Resolution of Issuance provides that no additional indebtedness with a priority over the bonds currently being offered may be issued. Additional bonds may be issued on a parity with these bonds subject to the following conditions, as specified by Section 3.05 of the Resolution.

1. The additional bonds must be for the purpose of financing completion of the Project or an addition to the Project and must be declared by a supplemental resolution to be necessary.
2. The Authority must be in compliance with all covenants of the Resolution of Issuance.
3. The additional bonds must be equally and ratably secured.
4. The additional bonds must be serial bonds payable as to principal on August 1, with interest payable on February 1 and August 1 of each year. The additional bonds may not be subject to redemption prior to August 1, 1988, except in the event of condemnation of or damage to the Project.
5. The Authority must enter into a revised lease with the City in which the City obligates itself to increase the base rental and additional rental under the lease in amounts sufficient to provide for the payment of the principal of and interest on the additional bonds when due and to make all other necessary payments.
6. Provision must be made to increase the Reserve Fund to an amount equal to at least one-half maximum annual bond service on all bonds and additional bonds to be outstanding in any one year thereafter.

Insurance Provisions

The Authority covenants in the Resolution to maintain or cause to be maintained insurance coverage, if such insurance is available on the open market from reputable insurance companies, or from the United States of America or any agency thereof as follows:

1. Against loss or damage to the property resulting from fire, lightning, and other perils ordinarily defined as extended coverage in amounts not less than the full insurable value of the properties as defined in the Resolution or the amount of the Authority's outstanding bonds, whichever is less, subject to deductible conditions of not to exceed \$10,000 for any one loss.

2. Against earthquakes either in an amount not less than the full insurable value of the properties, or in the amount of the Authority's outstanding bonds (waiver of co-insurance provisions), whichever is less; and a deductible amount of not more than 10 percent of the face value of the insurance for any one loss.
3. Against war risks, in an amount not less than 80 percent of the full insurable value.
4. To maintain or cause to be maintained use and occupancy or rental income insurance against all of the above perils in an amount of not less than two years' rental.
5. To maintain or cause to be maintained public liability insurance of not less than \$250,000 per person and \$1,000,000 per any one accident and property damage insurance of at least \$50,000.
6. Workmen's compensation for all persons employed in connection with the Project.

If the Project is condemned, or if it is destroyed and the Authority is unable to rebuild it within the period for which rental interruption insurance is provided, the proceeds of the condemnation award or insurance proceeds are to be used for the redemption of the bonds prior to maturity.

If the Project can be rebuilt within the time for which rental interruption insurance is available, then the Authority must rebuild unless the City agrees instead to use the insurance proceeds for redemption of bonds prior to maturity.

Investment of Funds

The Trustee will keep the funds of the Authority invested or on deposit in such manner as will produce reasonable interest returns in the opinion of the Trustee. All such investments must mature not later than the time the funds will be required.

Additional Covenants

The Resolution contains other covenants, including but not limited to the following, by which the Authority agrees:

1. To punctually pay the principal and interest on the bonds as they become due.

2. Not to mortgage, encumber, sell, lease, place a charge on, or otherwise dispose of the Project or the revenues therefrom and not to enter any agreement which impairs the operation of the Project or otherwise impairs the rights of the bondholders with respect to the revenues or operation without making adequate provision to protect the rights of bondholders.
3. To construct and complete the Project in conformity with the construction contract (under the sublease the Authority agrees to require 100% performance bonds and labor and materialmen's bonds of the contractor).
4. To pay, discharge, or contest any taxes, assessments or other governmental charges upon the Project or the revenues which might impair the security of the bonds.
5. To keep proper books of records and accounts and to file with the Trustee annually, within 120 days after the end of each fiscal year, detailed independent certified audits covering the operation of the Authority, showing revenues, expenses, insurance in force, and the status of each fund.
6. To maintain or cause to be maintained and to keep in good repair the Project and all buildings and equipment.
7. If for any reason the Authority should operate the Project, to fix, prescribe and collect charges which will be sufficient with all other income of the Authority to pay the principal of and interest on the bonds as they become due and to pay for all expenses of operation, maintenance and repair of the Project and to maintain the special funds provided for in the Resolution.
8. To comply with the requirements of section 103(d), Internal Revenue Code of 1954, as amended.

Environmental Impact

Pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 and following) and in conformity with existing local regulations, the project has been evaluated, an Environmental Impact Report was prepared and the Notice of Determination was filed June 20, 1973.

Estimated Annual Bond Service

Table 1 shows estimated annual bond service on the 1975 City Hall Revenue Bonds.

Table 1

EL CAJON-SAN DIEGO COUNTY CIVIC CENTER AUTHORITY 1975 CITY HALL REVENUE BONDS Estimated Annual Bond Service

Year	Bonds Outstanding	Interest Estimated at 7½ %	Principal Maturing August 1	Total Bond Service
1976	\$6,400,000	\$ 480,000	\$ —	\$ 480,000
1977	6,400,000	480,000	—	480,000
1978	6,400,000	480,000	70,000	550,000
1979	6,330,000	474,750	75,000	549,750
1980	6,255,000	469,125	80,000	549,125
1981	6,175,000	463,125	90,000	553,125
1982	6,085,000	456,375	95,000	551,375
1983	5,990,000	449,250	105,000	554,250
1984	5,885,000	441,375	115,000	556,375
1985	5,770,000	432,750	120,000	552,750
1986	5,650,000	423,750	130,000	553,750
1987	5,520,000	414,000	140,000	554,000
1988	5,380,000	403,500	155,000	558,500
1989	5,225,000	391,875	165,000*	556,875
1990	5,060,000	379,500	175,000*	554,500
1991	4,885,000	366,375	185,000*	551,375
1992	4,700,000	352,500	200,000*	552,500
1993	4,500,000	337,500	215,000*	552,500
1994	4,285,000	321,375	230,000*	551,375
1995	4,055,000	304,125	250,000*	554,125
1996	3,805,000	285,375	270,000*	555,375
1997	3,535,000	265,125	290,000*	555,125
1998	3,245,000	243,375	310,000*	553,375
1999	2,935,000	220,125	335,000*	555,125
2000	2,600,000	195,000	360,000*	555,000
2001	2,240,000	168,000	385,000*	553,000
2002	1,855,000	139,125	415,000*	554,125
2003	1,440,000	108,000	445,000*	553,000
2004	995,000	74,625	480,000*	554,625
2005	515,000	38,625	515,000*	553,625
Total		\$10,058,625	\$6,400,000	\$16,458,625

*Callable on or after August 1, 1988.

THE PROJECT

Project Description

The bonds currently being offered for sale will be used to finance construction of the El Cajon City Hall. The city hall and council chamber structures will be located in the approximate center of an eleven-acre site in downtown El Cajon. The site is bounded by East Park Avenue on the north, Ballantyne Street on the east, Main Street on the south and Magnolia Avenue on the west.

The project will consist of two separate structures: a six-story city hall and a single-story council chamber.

The city hall, with six floors and a basement, will comprise a total of 68,160 square feet, with 48,000 square feet of office space. The basement and first four floors will be occupied by various city departments. The top two floors will be sub-let by the city to the county for the first five years following completion. Ultimately, city functions will expand into these floors.

The council chamber will comprise a total of 5,414 square feet and provide seating for 150. This structure will have separate access for night use.

The project will also include sunken parking lots with 357 parking spaces. These lots will be concealed by walls and landscaping. The project will also include all necessary lighting, drainage and other site improvements.

Construction is expected to take 18 months, with project completion by November 1, 1976.

Contractor's Obligations

The contractor has 548 calendar days from notice to proceed to complete the project. To assure completion, the contractor is required to post 100 percent faithful performance and labor and materialmen's bonds.

If the contractor fails to complete the project on schedule, he will be subject to liquidated damages of \$1,800 per day which may be deducted from moneys due the contractor.

Estimated Project Costs

Table 2 presents a summary of estimated project costs, based on the successful construction bid received on January 6, 1975, together with estimated incidental costs. The successful bidder was M. H. Golden Construction Company of San Diego, California.

Incidental costs include interest during construction for a period of twenty-four months. Interest will, therefore, be funded for a period of approximately six months beyond the scheduled completion date.

Table 2

**EL CAJON-SAN DIEGO COUNTY
CIVIC CENTER AUTHORITY
EL CAJON CITY HALL
Estimated Project Costs**

Construction	\$5,100,000
Contingencies	200,000
Subtotal	\$5,300,000
Interest During Construction	960,000
Reserve Fund	278,000
Allowance for Bond Insurance	
and Title Insurance	140,000
Working Capital	2,500
Financing Incidentals	50,000
Total	\$6,730,500
Less: Interest Earnings During Construction	330,500
Amount of Bond Issue	\$6,400,000

FINANCIAL DATA

The City of El Cajon utilizes the facilities of San Diego County for the assessment and collection of ad valorem taxes. However, public utility property assessed valuations are established by the State Board of Equalization. City taxes are collected at the same time and on the same tax rolls as are the county and school district taxes. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Taxes on unsecured personal property are assessed on March 1 and become delinquent in the next fiscal year on August 31.

Assessed Valuations

The State Board of Equalization reports that San Diego County assessed valuations for 1974/75 average 26.6 percent of full cash value. Utility property is reported to be assessed at 25 percent of full cash value.

Under amendments adopted in 1968 to the Constitution and Statutes of the State of California, two unique types of exemptions of property from ad valorem taxes became effective for the first time in the 1969/70 fiscal year. One of these exempts 50 percent of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. The revenue estimated to be lost to each taxing entity as a result of these exemptions is reimbursed to the taxing entity from state funds. The reimbursement is based upon the total taxes which would be due on the assessed valuation of the property qualifying for these exemptions.

The following table summarizes the 1974/75 assessed valuation of the City of El Cajon before and after giving effect to these exemptions.

CITY OF EL CAJON

1974/75 Assessed Valuations

Assessment Roll	Net Assessed Valuation	Business Inventory and Homeowner Exemptions	Assessed Valuation For Revenue Purposes
Secured .	\$121,879,715	\$16,355,120	\$138,234,835
Utility ...	6,716,650	—	6,716,650
Unsecured	11,796,035	4,405,262	16,201,297
Total ..	\$140,392,400	\$20,760,382	\$161,152,782

The growth in the assessed valuation (before deduction of State-reimbursed exemptions) of the City which has occurred over the past six years is shown in the tabulation below.

CITY OF EL CAJON

Growth in Assessed Valuations

Fiscal Year	Assessed Valuation
1969/70	\$ 88,743,038
1970/71	98,937,960
1971/72	116,484,880
1972/73	131,669,469
1974/75	161,152,782

Tax Levies and Delinquencies

The tabulation on page 14 summarizes the secured taxes levied by the City and the amounts and percentages delinquent as of June 30 for the five fiscal years 1969/70 through 1973/74.

CITY OF EL CAJON**Secured Tax Levies and Delinquencies**

Fiscal Year	Secured Tax Levy	Delinquent as of June 30	
		Amount	Percent
1969/70	\$1,134,626	\$12,545	1.11%
1970/71	1,268,970	17,812	1.40
1971/72	1,316,806	20,182	1.53
1972/73	1,481,251	17,872	1.21
1973/74	1,486,018	21,034	1.42

As a result of various annexations to the City of El Cajon in recent years, four separate tax districts have been created within the city which may be subject to different city tax rates, depending on the portion of outstanding bonded indebtedness each district has assumed. For 1974/75, the city levied tax rates per \$100 secured assessed valuation of \$1.25, \$1.227 and \$1.19, the first of which was applicable to two tax districts. Approximately 98 percent of the city's total secured assessed valuation was subject to the \$1.25 tax rate. A five-year summary of city tax rates (for both secured and unsecured rolls) in the largest tax district (1974/75 assessed valuation \$156,672,275) is shown below.

CITY OF EL CAJON, TAX DISTRICT NO. 1**City Tax Rates**

	1970/71	1971/72	1972/73	1973/74	1974/75
General Fund	\$.440	\$.600	\$.600	\$.680	\$.430
Retirement .....	.240	.210	.210	.130	.440
Sanitation .....	.260	.090	.080	.080	.080
Recreation .....	.450	.290	.290	.290	.240
Bond Service .....	.100	.100	.100	.100	.060
Total	\$1.490	\$1.290	\$1.280	\$1.280	\$1.250

Tax rates per \$100 assessed valuation in the largest tax rate area in the city on all taxable property for all city and county purposes, including schools,

for the years 1970/71 through 1974/75 are shown in the tabulation below.

CITY OF EL CAJON**Total Tax Rates**

	Fiscal Year				
	1970/71	1971/72	1972/73	1973/74	1974/75
City Tax Rates	\$ 1.490	\$ 1.290	\$ 1.280	\$ 1.280	\$ 1.250
County and Other Tax Rates	10.938	11.024	11.486	10.002	9.848
Total	\$12.428	\$12.314	\$12.766	\$11.282	\$11.098

The total 1974/75 tax rate per \$100 assessed valuation for the largest tax rate area in El Cajon for all city and county purposes is \$11.098, and is composed of the tax rates as shown in the tabulation below.

TAX RATE AREA 3003

1974/75 Tax Rates

County of San Diego	\$ 2.691
Schools	6.548
City of El Cajon	1.250
Grossmont Hospital District .....	.200
Metropolitan Water District .....	.140
Helix Irrigation District .....	.110
County Library .....	.159
Total	\$11.098*

*Does not include \$.260 levied on land only.

Fund Balances and Reserves

The City's fund balances as of June 30, 1974 were as shown below.

CITY OF EL CAJON

Fund Balances as of June 30, 1974

General Fund	\$ 810,570
Special Revenue Funds	662,200
Bond Funds	154,828
Capital Improvement Funds	1,347,692
Total	\$2,975,290

Revenues and Expenditures

Table 3 shows a summary of revenues and expenditures of the City of El Cajon as reported to the State Controller for the fiscal years 1969/70 through 1973/74.

Table 3

CITY OF EL CAJON

Revenues and Expenditures

	1969/70	1970/71	1971/72	1972/73	1973/74
REVENUES					
Property taxes	\$1,287,288	\$1,372,132	\$1,442,819	\$1,604,748	\$1,613,502
Sales taxes	1,370,420	1,650,230	1,904,402	2,475,474	2,955,301
Other taxes	269,217	289,381	313,590	448,000	457,253
Licenses and permits	111,753	183,613	252,032	216,296	228,564
Fines and penalties	142,869	142,391	132,897	131,826	143,575
Use of money and property	114,621	135,556	104,118	163,999	355,542
Subventions and grants ..	1,090,076	1,241,506	1,564,991	2,526,991	3,352,837
Service charges	88,828	177,885	555,455	669,194	681,065
Other revenues	215,427	141,755	196,477	158,542	205,012
Total revenues	\$4,690,499	\$5,334,449	\$6,466,781	\$8,395,070	\$9,992,651
EXPENDITURES					
General government	\$ 993,785	\$1,086,723	\$1,392,012	\$1,694,647	\$1,724,675
Public safety	1,522,329	1,824,581	1,999,947	2,229,201	2,568,252
Public works	798,224	1,062,739	1,139,807	1,158,486	1,365,352
Health	5,689	469	—	5,077	2,833
Parks and recreation	212,742	232,680	270,313	295,177	378,697
Contributions to other governmental units	—	—	—	—	11,404
Capital outlay	551,522	1,323,162	1,077,608	1,560,380	3,649,197
Total expenditures ..	\$4,084,291	\$5,530,354	\$5,879,687	\$6,942,968	\$9,700,410

Direct and Overlapping Debt

The City of El Cajon has outstanding \$575,000 of general obligation bonds issued for sewer improvements. These comprise four issues and the final

maturity on the issues is March 1, 1986. Table 4 presents a statement of the direct and estimated overlapping bonded debt of the City of El Cajon.

Table 4

CITY OF EL CAJON

Statement of Direct and Estimated Overlapping Bonded Debt

Population	58,400		
1974/75 Assessed Valuation	\$161,152,782		
Estimated Market Value	\$607,453,000 ^①		

	Percent Applicable	Debt Applicable February 11, 1975 ^②
DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT:		
San Diego County	3.203%	\$ 183,051
San Diego County Water Authority	3.375	1,895,400
Metropolitan Water District .....	.448	2,483,054
Grossmont Community College District	22.504	1,604,535
Grossmont Union High School District (Various issues)	22.341-22.771	2,551,843
Cajon Valley School District (Various issues)	62.178-62.719	4,577,969
La Mesa-Spring Valley School District (Various issues)	5.489- 8.175	370,287
Santee School District (Various issues) .....	.431- .480	9,034
Helix Irrigation District	29.	1,333,000
Helix Irrigation District (El Cajon Annex)	44.	594,000
Santee County Water District	1.942	72,922
Rio San Diego Municipal Water District	1.123	1,348
City of El Cajon	100.	575,000
TOTAL GROSS DIRECT AND OVERLAPPING DEBT		\$16,251,443
Less: Helix Irrigation District (100% self-supporting)		1,333,000
Santee County Water District and Improvement District (100% self-supporting)		72,922
TOTAL NET DIRECT AND OVERLAPPING DEBT		\$14,845,521^③

	Ratio to		
	1974/75 Assessed Valuation	Estimated Market Value	Per Capita
Assessed Valuation	100. %	26.60%	\$2,759
Net Direct Debt .....	.36	.09	10
Gross Direct and Overlapping Debt	10.08	2.68	278
Net Direct and Overlapping Debt	9.21	2.44	254

① The State Board of Equalization reports that 1974/75 San Diego County assessed valuations average 26.6% of full value, with public utility property assessed at approximately 25% of full value.

② Excludes bond sales, if any, between December 17, 1974 and February 11, 1975.

③ Excludes revenue bonds or the city's shares of lease-purchase obligations (\$212,823) and Authority lease obligations (\$11,413,379).

THE CITY

The City of El Cajon is located in central San Diego County approximately 16 miles east of the City of San Diego, and 125 miles south of Los Angeles. Incorporated in 1912, the city comprises 12.1 square miles at an average elevation of 525 feet above sea level.

The city has a large number of manufacturing and other industrial operations plus a well-developed commercial and trading center. The city is served by an interstate freeway and a major railroad.

Population

The population of El Cajon has steadily increased since 1950. The 1970 Federal Census showed the City's population to be 52,273, which represents an increase of 14,655 or 39% in the ten years since the 1960 census. During the twenty-year period since the 1950 census, the population has increased by 46,673. The State Department of Finance estimated population at 58,400 as of January 1974.

The tabulation below shows the past and projected population growth of the city.

CITY OF EL CAJON

Population Growth

Year	Population
1940	1,471 ^①
1950	5,600 ^①
1960	37,618 ^①
1970	52,273 ^①
1974	58,400 ^②
1980	71,182 ^③
1990	89,938 ^③

① Federal Census.
② State Department of Finance.
③ City General Plan.

Climate

The El Cajon Valley enjoys a mild climate typical of Southern California. Summers are warm and dry and winters are cool. Rainfall is generally confined to the winter months and averages approximately 13 inches per year. Situated on the level valley floor which is almost entirely surrounded by mesas and low mountains, El Cajon is sheltered from coastal winds and fog as well as the desert climate that prevails further east.

Municipal Government

The City of El Cajon was incorporated on November 20, 1912, and operates as a general law city under a council-manager form of government. The city council is comprised of five members elected at large for alternating four-year terms. In 1974/75, the city will have a staff of 400 full-time and 50 part-time employees under the direction of the City Manager, who is appointed by the council and is responsible for the administration of city affairs and execution of council policy. The City Attorney is appointed by and responsible to the city council. A number of commissions and boards are also appointed by the council and serve in an advisory capacity. The 1974/75 city budget is approximately \$8.6 million.

During the last decade, El Cajon has made numerous additions and improvements to its municipal facilities. Major sewerage and street improvements have generally been financed by assessments, but most other facilities, including the existing city offices, three fire stations and the city maintenance shops, have been financed from cash reserves.

Utilities

Electric power and natural gas are furnished to the city by the San Diego Gas and Electric Company. Telephone service is provided by the Pacific Telephone Company. Water is provided by the Helix Irrigation District. The city provides sewage collection facilities as a participant in the San Diego Metropolitan Sewerage System.

Housing Characteristics

As reported by the 1970 Federal Census, the majority of dwelling units in El Cajon were owner occupied and 89 percent of these were valued at \$15,000 or more, with a median value of \$21,100. Median rent in the city was reported to be \$129 per month per unit.

Building Activity

Paralleling population and commercial growth in the city, building activity has increased steadily. More than \$160 million of building permits have been issued by the city's Building Department since 1970. Permit valuations are summarized in the following tabulation.

CITY OF EL CAJON

Building Permit Valuations

Year	Number of Permits	Valuation
1970	1,671	\$23,688,723
1971	2,102	30,422,511
1972	1,205	46,198,059
1973	2,427	28,072,940
1974	2,410	31,763,646

Employment

Employment statistics are not compiled for the City of El Cajon alone. The State Employment Development Department compiles statistics for the labor market including all of San Diego County. In its August 1974 survey, detailed in the accompanying tabulation, the department reports that 475,500 people were employed in the labor market.

SAN DIEGO LABOR MARKET AREA

August 1974 Employment

Type of Employment	
Agriculture	10,500
Mining	600
Construction	27,100
Manufacturing	73,400
Transportation, Communications and Utilities	23,800
Trade: Wholesale and Retail	102,100
Finance, Insurance and Real Estate	24,800
Services	101,000
Government	112,200
TOTAL	475,500

Mission Bay Park of the City of San Diego. The park is a major recreational development for the greater San Diego area.



Commerce

Commercial activity in El Cajon is characterized by a well-developed and diversified central business district and several neighborhood shopping areas. As the center of trade and commerce for the El Cajon Valley and adjacent areas, the city has consistently ranked among the top four cities in total taxable sales recorded in the county. In August of 1969, Sears, Roebuck & Co., opened their largest store in San Diego County on a 20-acre site in El Cajon. With 285,000 square feet under roof, the \$3 million store formed the first increment of the 80-acre Parkway Plaza regional shopping center. The center, the largest in San Diego County, was completed in 1972 and will have 83 specialty shops when fully occupied. In addition, the May Company has a 110,000 square foot store and Woolworth's a 100,000 square foot unit. The entire Parkway Plaza center is covered, providing climate-controlled shopping and mall areas throughout.

The tabulation below and on the following page summarize the growth in taxable transactions since 1969, with a detailed breakdown of the 1973 activities as reported by the State Board of Equalization.

CITY OF EL CAJON
Taxable Transactions

Year	Outlets July 1	Taxable Transactions
1969	910	\$120,344,000
1970	956	144,381,000
1971	1,039	166,939,000
1972	1,134	215,291,000
1973	1,295	263,720,000
1974 (6 mos.)	1,330	133,427,000

The Parkway Plaza regional shopping center located in El Cajon and serving residents of the city and eastern San Diego County.



CITY OF EL CAJON

1973 Taxable Transactions

Type	Outlets 7/1/73	Taxable Transactions
Apparel Stores	62	\$ 12,173,000
General Merchandise Stores	27	60,184,000
Drug Stores	14	4,699,000
Food Stores	65	16,084,000
Packaged Liquor Stores ..	19	3,668,000
Eating and Drinking Places	135	17,509,000
Household Furnishings and Appliances	39	6,721,000
Building Material and Farm Supplies	26	15,871,000
Auto Dealers and Auto Supplies	52	48,789,000
Service Stations	75	16,429,000
Other Retail Stores	153	29,894,000
Total Retail Stores ..	667	\$232,021,000
All Other Outlets	628	31,699,000
TOTAL ALL OUTLETS	1,295	\$263,720,000

Industry

The City of El Cajon, only 16 miles from central San Diego, is an integral part of the industrial complex that has developed in the metropolitan area since the 1940's. More than 1,200 manufacturing companies are located in the county and the majority of these are within the San Diego Metropolitan Area. Based on reported payrolls, the major industrial groups are aircraft-missile and related industries, food processing, printing and publishing, electrical and non-electrical machinery, shipbuilding, fabricated metals, and wearing apparel. According to a recent San Diego Chamber of Commerce survey, the total value of manufactured products in 1973 approximated \$2.28 billion.

Industry in El Cajon has grown at a rapid pace since 1951, when the city established one of the first industrial parks in San Diego County. The El Cajon Industrial Park, containing approximately 450 acres, was set aside and zoned for light industrial use by the city to attract new industry to the community. As a result of the city's industrial devel-

opment program, almost 100 new industries with total annual payrolls exceeding \$30,000,000 have located in El Cajon in the last ten years, most of which have established their operation in the industrial park. Now over 50 percent developed, the city's industrial park offers ideal location, easy accessibility, proper zoning, and all streets and required utilities in place.

A well diversified group of over 200 manufacturing, processing and distribution firms are located throughout the areas zoned for industrial use within the El Cajon community area. Among the numerous industrial firms that have chosen to locate in El Cajon, the largest in terms of 1974 employment are (number of employees in parenthesis); Ametek, Straza Industries (600)—aircraft parts; Stromberg DatagraphiX (450)—data processing components; Buck Knife, Inc. (300)—cutlery; Varnier Graphic Corp. (190)—business forms; Jet Air, Inc. (225)—machining; and Wilpac Manufacturing Co. (185)—machining.

Major non-manufacturing employers include El Cajon Valley Hospital (400); City of El Cajon (400); San Diego Gas & Electric (275); Sears, Roebuck & Co. (275); Montgomery Ward Warehouse (225); and Travelodge International (185).

Probably the major factor contributing to El Cajon's increasing industrial development is the timely establishment of a large well-planned industrial park. However, other important factors include: (1) the direct freeway connection between El Cajon and San Diego; (2) the development of Gillespie Field, a county-owned airport immediately north of the industrial park, as the principal executive aircraft landing field in the county; (3) direct rail service from local industrial sites to San Diego main line connections; and (4) the attractive living conditions for which the city is noted.

Banking

El Cajon is served by a number of financial institutions, both banks and savings and loan institutions. Bank of America NT&SA (2 branches); California Canadian Bank; Crocker National Bank; San Diego Trust & Savings Bank; Security Pacific National Bank (2 branches); Southern California First National Bank; United California Bank; Wells Fargo Bank; American Savings & Loan; California Federal Savings & Loan; Central Federal Savings & Loan; Home Federal Savings & Loan; Imperial Savings & Loan and San Diego Federal Savings.

Transportation

The City of El Cajon is served by Interstate Highway 8, which is constructed to full freeway standards the entire distance to San Diego. This route connects with U.S. 395 (Interstate 15), U.S. 101 (Interstate 5), and Interstate 805, providing access to the Los Angeles area and other northern points.

Approximately 20 local and transcontinental trucking firms serve the community and provide overnight delivery to Los Angeles and San Francisco, California, and Phoenix, Arizona. Local and commuter bus service is provided in the City of El Cajon by the San Diego Transit System, and long distance service is provided by Greyhound Lines and Continental Trailways.

The San Diego and Arizona Eastern Railroad, a subsidiary of the Southern Pacific Company, extends a branch line into El Cajon and connects with the main line of the Santa Fe Railway in San Diego. Local spur lines furnish extensive freight service to the industrial areas of the city.

San Diego County maintains a modernized, well-equipped general aviation airport in the community of Santee, immediately adjacent to the northern boundary of the City of El Cajon. Gillespie Field features two heavy-duty runways of 6,000 feet and 4,300 feet in length, FAA control tower operation, and complete aircraft service and storage facilities. Conveniently located in relation to the San Diego Metropolitan Area, Gillespie Field serves as the

principal airport for business and transient aircraft use in the county. Air service to all parts of the county and abroad is available at San Diego International Airport in San Diego.

Education

El Cajon has 17 elementary, 3 junior high and 3 high schools to provide educational opportunities to city residents. There is also a community college and 7 private schools.

Located within easy commuting distance are a number of well known institutions of higher learning: San Diego State University, the University of San Diego, United States International University and the University of California at San Diego. The University of California contributes to area research activities and is the home of the world-renowned Scripps Institute of Oceanography.

Community Facilities

The city provides a number of park areas, two swimming pools and 17 school playgrounds for use of city residents. There are 9 golf courses within a short drive from the city. The County maintains two public libraries in the city.

Three general hospitals with a total bed capacity of over 450 are located in the city. There are over 125 physicians and surgeons, dentists, optometrists and chiropractors practicing in the city.

The University of California, San Diego.



MUNICIPAL BOND GUARANTY INSURANCE POLICY

MUNICIPAL BOND INSURANCE ASSOCIATION
White Plains, New York 10601

Policy No.

The insurance companies comprising the Municipal Bond Insurance Association (the "Association"), each of which participates and is liable hereunder severally and not jointly in the respective percentage set forth opposite its name, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantee to any holder as hereinafter defined, other than the Issuer of the following described bonds, the full and complete payment by or on behalf of the Issuer to (insert, as appropriate, name and address of the Trustee or Paying Agent) or its successor (the "Paying Agent") of an amount equal to the principal of and interest on, as such payments shall become due but shall not be paid, the following bonds (the "Bonds"):

(Title of Bonds)

The insurance companies constituting the members of the Association are as follows:

The Aetna Casualty and Surety Company	40%
St. Paul Fire and Marine Insurance Company	30%
Aetna Insurance Company	15%
United States Fire Insurance Company	15%

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the General Manager of the Association or its designee from the Paying Agent or any holder of a Bond or coupon the payment for which is then due to the Paying Agent, that such payment has not been made to the Paying Agent, the Association on behalf of its members on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds in an account with the First National City Bank, N.Y., N.Y., or its successor sufficient for the payment to the holders of any Bonds or coupons which are then due. Upon presentment and surrender of such Bonds or the coupons, together with any appropriate instrument of assignment, First National City Bank, N.Y., N.Y., shall disburse to such holders or the Paying Agent payment of the face amount of such surrendered and uncanceled

Bonds and coupons less any amount held by the Paying Agent for the payment of the principal of or interest on the Bonds and legally available therefor. Upon such remittance and transfer of such uncanceled Bonds and uncanceled coupons or appropriate instruments of assignment to First National City Bank, N.Y., N.Y., by the holders or the Paying Agent, the members of the Association shall become the owners thereof in proportion to their percentage of participation under this policy. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bond.

As used herein, the term "holder" shall mean the bearer of any Bond not registered as to principal and the registered holder of any Bond registered as to principal or as to principal and interest and, when used with reference to a coupon, shall mean the bearer of the coupon.

Any service of process on the members of the Association may be made to the Association, one of the members of the Association or the General Manager of the Association and such service of process shall be valid and binding as to the Association and each of its members. During the term of its appointment, Municipal Issuers Service Corporation will act as the General Manager of the Association and its offices are located at 34 South Broadway, White Plains, New York 10601.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of Bonds.

IN WITNESS WHEREOF, each of the members of the Association has caused this policy to be executed and attested on its behalf by the general manager and agent of the Association, this day of, 19....

MUNICIPAL BOND INSURANCE ASSOCIATION

The Aetna Casualty and Surety Company
 St. Paul Fire and Marine Insurance Company
 Aetna Insurance Company
 United States Fire Insurance Company

By MUNICIPAL ISSUERS SERVICE CORPORATION

Attest:

 President

 Secretary

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STUDIES LIBRARY

JAN 25 2024

UNIVERSITY OF CALIFORNIA

